

ACME

January 14, 1969

Dean Robert Glaser

Joshua Lederberg

Dear Bob:

This memo is an early warning to you that I may have to ask you to intervene in deciding upon an issue that will be of very great significance for computer facilities for the medical school and the hospital. This has to do with the use of the ACME system for business operations in the hospital.

In Par. 11 of the attached memo from Larry Schneiderman, Mr. Barber is quoted as preceding a mandate to develop a system for the most economic way of billing patients not to subsidize research. We of course believe that patients should not be economically penalized for coming to Stanford Hospital, but it is obvious that this philosophy could readily be misapplied in many other areas of hospital operations in a way which would be disastrous to the functioning of Stanford as a university hospital. It may be quite feasible to develop a rate base for ACME services such that business operations would be processed at no economic penalty some possible difference than being subsidized under the heading of research. This may require a certain amount of additional fuss and trouble than a purely service operation would contemplate, but this is certainly not a new challenge in an academic setting.

I don't think there is any serious recalcitrance or possibly even a serious difference of opinion, but I felt that you should be apprised of the essential problem that may be arising here in case a more definite action on your part is needed to resolve it. I am not recommending any decisive action on your part at the present time, but I would hope that you would keep your mind open for developments along these lines that might lead to an uncontrolled redundancy and divergence of effort which would be advantageous to everybody. We do plan to make a stronger effort than in the past to maintain good communication with the business operations group, for example with representation on the policy committee and this may be the main thing needed to set us on the right course in the future. dis

Larry's memorandum places great stress on the economic need for unification in this system. To my mind the coherence of the overall system of data management is a much more important consideration. The concern that is expressed in Par. 12 may be a legitimate one but it is not one that should be answered unilateral solely from the point of view of the hospital administrator. There are some very important questions of philosophy that underlie this discussion in which inevitably you must play an important part.

JL:lh
Att.